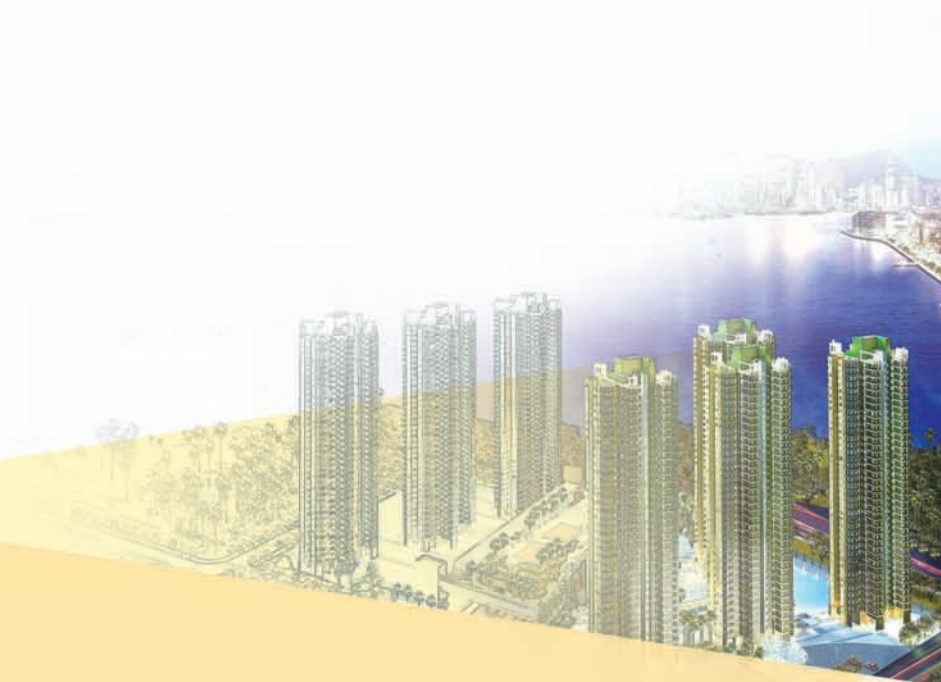


> Chairman's Statement





To Our Shareholders,

The economic reform and open-door policy of China dates back to The Third Plenary Session of the 11th Central Committee in 1978 when the nation's leaders adopted a series of new policies which identified economic development as the core concept of governance, laying down the foundation for subsequent reforms. Over the past 30 years, the nation has gradually opened up under such reform policies, which have presented enormous challenges and unlimited opportunities for the people and benefited the development of the nation all these years.

Facing complicated economic policies and ever-changing regulatory regimes, the Chinese people have always been determined to forge ahead. The achievement today would never have been possible without the determination to implement reforms. China has its GNP rising from RMB600 billion in 1979 to RMB24,000 billion in 2007, with persistent growth in its GDP and fixed-asset investment. Foresight of the nation's leaders, decision-making capability of the officials and mobilization ability of the people are closely-linked factors contributing to such success. As a Chinese proverb goes, "a long journey starts by taking the first step", the whole nation has been allied to meet challenges albeit difficulties.

At the outset, the New World Group already appreciated the inherent close relations and mutual dependence between Mainland China and Hong Kong. Facing a market which awaited exploration and development, the Group decided to become a pioneer in its economic reform by taking up the responsibility to engage in the development of the Mainland. We were among the first to get involved in the building of infrastructure for the nation with a view to improving people's living. We cover property, hospitality, roads and bridges, power plants, water plants, container terminals, department stores and geographically span across 19 provinces and 49 first- and second-tier cities, supporting the planning and development of the nation.

It has been 30 years since the New World Group captured the opportunities under the policy of the nation and worked out its investment strategies at an early stage in tandem with the prevailing landscape to identify the best business opportunities for the Group's investment, putting itself in a favorable position to surmount challenges ahead. It is after these 30 years that the New World Group, a top holder of land reserves in Mainland China among Hong Kong-based enterprises, can now fully benefit from the economic and trading development across the strait as well as the economic cooperation within the region in the China market where business opportunities are plentiful.

With vision and foresight, thorough consideration, careful planning and steadfast commitment, the New World Group will continue to maintain its ambitious yet healthy investment strategy to grow together with the nation and strive for greater success in the future.

Dr. Cheng Yu-Tung

Chairman

Hong Kong, 14 October 2008